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Transportation

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Annual Report
A New Era Update

Ministry of
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Introductory Note — A Year of Transition

The Government of British Columbia and its ministries are committed to reporting on performance. The *Budget Transparency and Accountability Act* (BTAA), as amended in August 2001, provides the legislative framework for a regular cycle of planning, reporting and accountability. Under the BTAA, ministries are responsible for producing three-year service plans (previously called performance plans), which are updated yearly, and annual service plan reports (formerly called performance reports). The amended BTAA takes effect beginning with the 2002/03 fiscal year. The first three-year service plans, covering the period 2002/03 to 2004/05, were released with the provincial budget on February 19, 2002.

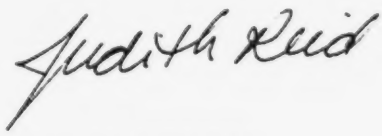
This annual report relates to the previous fiscal year, covering April 1, 2001, to March 31, 2002. This was a transition year, with a new government sworn into office on June 5, 2001. On that day, there was an extensive reorganization of ministries, which were given significant new policy direction and tasked with the responsibility for implementing the government's *New Era* commitments. Later in the year, ministries proceeded through the core services review, which refined the mandates of ministries and identified the strategic shifts required to move government toward its long-term objectives.

This report provides an update on all that activity and also provides a report on performance, approaching the model provided by the BTAA as closely as is possible in the circumstances. An annual report would normally relate back to a preceding plan and report on the results achieved compared with the intentions outlined in that plan. In this case, the preceding plan was produced before the adoption of the significant changes outlined above, and as noted, this ministry has been significantly reorganized, and policies and priorities have changed. This limits the extent to which performance information as described in the previous plan is useful.

Consequently, this report sets out the ministry's redefined role and the services it provides, and — within the context of its goals and objectives as they evolved through the year — describes the achievements of the ministry and the performance targets being used to measure success.

Accountability Statement

The 2001/02 Ministry of Transportation Annual Report was prepared under my direction and I am accountable for the results the ministry achieved since June 5, 2001. This report describes progress made in this first year on the government's *New Era* commitments, which are to be addressed by May 17, 2005.



Honourable Judith Reid
Minister of Transportation

June 6, 2002

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BRITISH COLUMBIA

Ministry of Transportation

This year has brought a New Era for British Columbia. Under the direction of a new government, British Columbians have begun to lay a foundation upon which we will build a new future. The Ministry of Transportation's new business approach will ensure that our transportation system is prepared to foster and support a revitalized economy that will give all British Columbians the opportunity to enjoy a good quality of life.

There will be many changes and challenges over the next few years that will require all provincial transportation agencies to work closely with the private sector. We are looking at new, innovative ways to build and maintain our infrastructure, and partnerships between the government and the private sector may provide the best solution. We will also be moving towards greater local decision-making to give communities more control over their own transportation needs and planning. By working together we can provide the infrastructure that will give British Columbia the best opportunity for economic growth and prosperity.

I am confident that this ministry will continue to provide the excellent service that has enabled us to meet our goals in the past. Our success is due to the hard work and dedication of our employees and the close working relationship we enjoy with other transportation agencies.

We look forward to receiving your comments on the new initiatives this ministry is undertaking and on this report.

Judith Reid

Honourable Judith Reid
Minister of Transportation

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Year-at-a-Glance Highlights

Core Services Review

In autumn 2001, the ministry completed its core services review. This review addressed the ministry's mandate and the way services are delivered, resulting in several strategic shifts. The major shifts are:

- The ministry will move from being the sole decision-maker on highway infrastructure investment priorities. It will give communities direct input into these investment decisions through the establishment of regional transportation committees.
- The ministry will move from being the primary funder of highway infrastructure expansion and improvements, and will work to attract private sector investment to fund these initiatives.
- The ministry will develop a strategic provincial transportation plan, integrating all modes of transportation with strong regional and stakeholder input to achieve efficiencies and competitive advantages.

The ministry will continue to manage and maintain the province's highway infrastructure, but will shift its emphasis from being a "doer" to being a "knowledgeable owner" that involves the private sector, local governments and other stakeholders in its transportation investment decisions and project delivery.

Organizational Restructuring

In response to the core services review and the government's commitment to balance the provincial budget within three years, the ministry initiated a major restructuring and downsizing of its organization in 2001/02. Ministry staff will be reduced by 1,446 positions over the next three years. This change will be achieved through reductions in staff at headquarters, regions and districts; steamlined business approaches; increased use of private sector service providers; greater reliance on seasonal workers; a move to shared and centralized support services; and some service reductions (e.g. inland ferries). Early retirement and voluntary departure incentive packages reduced the number of employee lay-offs required.

Management of the BC Transportation Financing Authority (BCTFA) was merged with the ministry in 2001/02. The future of the BCTFA as a legal entity depends on work that is underway to establish a legal and policy framework for the ministry to enter into public-private partnerships (described below) for highway capital construction projects. This work is expected to be completed in 2002/03.

Public-Private Partnerships

The ministry established the Partnerships Department in 2001 to lead the development of public-private partnerships that would secure private sector investment for new highway construction and major infrastructure upgrades. The Partnerships Department will develop design/build/develop arrangements as well as concessions.

The design/build/develop model combines design and construction into a single contract, with some or all of the compensation in the form of residual land within a specified area. This model reduces costs through synergies between the designer and builder, and optimization of land use. It shifts some risk to the private sector.

The concessions model is a design/build/own/operate/transfer process whereby the private sector finances, designs, constructs, operates and maintains a facility for a specified period of time.

The concessionaire is responsible for financing some or all of the required new highway infrastructure. Tolls provide the means for recovering this financing, including a return on the equity invested. Costs are reduced through synergies between the designer and builder, optimization of the trade-off between capital and operating expenditures, and innovation in operating and maintenance practices. Accelerated or enhanced service is provided to highway users, and substantial risks are transferred to the private sector.

The Partnerships Department consists of three branches and a number of project teams. The three branches have the following responsibilities:

- development of policies and strategies to help implement the department's mandate;
- development of projects using the design/build/develop model; and
- management or sale of other ministry land to produce revenues to finance highway improvements.

The project teams are focused on developing and implementing of concessions for new highways or major highway upgrades, and on delivery of other partnership projects.

Infrastructure Management

The first priority of the ministry is the effective operation and maintenance of the highway system -- both to keep highways safe and to preserve the public investment. The province spent $519 million on maintenance and rehabilitation of the highway infrastructure in 2001/02.

The Peace River District experienced extensive flooding and landslide activity in June and July of 2001. Two bridges were replaced by temporary bridges and eight multiplate culverts were replaced. Four large landslides led the ministry to conduct temporary detours and start the preparation of designs for construction next year.

The ministry is focusing resources on improving northern and rural transportation, along with other priority highway preservation projects. The ministry expanded its data collection programs in 2001/02 to include information on the condition of both paved and gravel roads. The data collected will be used to prioritize highway rehabilitation projects and make funding decisions in future years.

Capital Projects

The province invested $195 million on highway capital expansion in 2001/02. Several large capital projects were substantially completed:

- The $1.3 billion Vancouver Island Highway Project, which consisted of new and upgraded highway between Victoria and Campbell River, was substantially completed in 2001/02. The two remaining sections, the Millstream Connector and Mill Bay to Duncan, are scheduled for completion in 2002/03.
- The $125 million Lions Gate Bridge project, which consisted of replacement of the bridge deck and widening of the Stanley Park Causeway, was substantially completed in 2001/02. Paving of the causeway between the bridge and the Prospect Point off-ramp and final paving of the bridge surface will be completed in 2002/03.
- The $60 million Port Mann Bridge five-laning/Cape Horn Interchange project, which was undertaken to reduce congestion on the Lower Mainland's worst traffic bottleneck, was substantially completed in 2001/02.
- The $40 million Airport Connector (Sea Island Project) was completed, improving the access to Vancouver International Airport from Highway 99. Ten million dollars for this project was contributed by the Vancouver Airport Authority.

Federal Funding

The federal government, through the Strategic Highway Infrastructure Program (SHIP), allocated funding of $73.5 million to British Columbia in 2001/02 for cost-shared transportation improvements. These funds will provide for improvements to the highway system between 2002 and 2006.

- $61.2 million was allocated to British Columbia under the Highway Construction Component, in an agreement signed on March 2, 2002. Two projects on Highway 1 have been approved and announced (Five Mile Bridge/Kicking Horse Canyon and Victoria Road/Revelstoke). Another ten projects have received approval-in-principle.
- $12 million was earmarked for British Columbia under the Border Crossing Transportation Initiatives. Ten recommended projects received agreement-in-principle on March 21, 2002. Additional contributions totaling almost $5 million are expected from the United States government and the City of Surrey.
- Finally, $250,000 was approved on March 13, 2002, under the Intelligent Transportation System Component for a southbound advanced traveller information system at border crossings on Highway 99 and Highway 15. An additional $1 million in contributions is expected from the United States government and the Canada Customs and Revenue Agency.

Streamlining Processes and Deregulation

Business process re-engineering was initiated in 2001/02. A project team was established to review, streamline and/or re-engineer ministry business processes. The team prepared a project plan, which was approved by the ministry executive. Priority is being given to the re-engineering and streamlining of processes affecting external clients. Clients are involved in improving these processes.

In support of the government's commitment to eliminate costly and unnecessary regulation and red tape, the ministry submitted a three-year deregulation plan to the Minister of State for Deregulation in January 2002. All acts, regulations, and policies under the jurisdiction of the minister of transportation will be reviewed in order to eliminate unnecessary requirements and streamline necessary requirements, such as those which ensure public safety.

Ministry Role and Services

Vision, Mission and Values

Vision

The vision of the Ministry of Transportation is a safe, efficient and reliable transportation system that supports a vibrant economy and meets the needs of British Columbia's citizens, businesses and communities.

Mission

The Ministry of Transportation will achieve its vision by:

- Creating an integrated transportation plan that incorporates all modes of transport and provides a strong foundation for economic growth.
- Maintaining and improving the provincial highway system, ensuring the efficient movement of goods from all regions to provincial, national and international markets.
- Ensuring regional participation in the highway and rural road system.

Values

- We respect regional and community goals and priorities.
- We are responsive to the needs of British Columbia business.
- We strive for excellence and innovation.

Ministry Goals and Priorities

Ministry Goals

- Develop an integrated transportation strategy.
- Maximize private sector investment in the highway system.
- Improve the movement of goods and services between regions and through interprovincial and international gateways.
- Obtain and incorporate regional input.
- Focus on northern and rural areas.
- Maintain a safe and reliable highway system that supports the economy.
- Use cost-effective and accountable management practices.

Ministry Goals Support the Following Government Priorities

- A thriving private sector economy.
- Continued access to education and health care facilities.
- An open and accountable government.
- Responsible, accountable management of British Columbians' public resources and tax dollars.

Strategic Shifts

As a result of the 2001 core services review, the ministry is making a number of strategic shifts in how it conducts business. These shifts will enable the ministry to deliver its new mandate and goals effectively.

From	To
The ministry is the sole decision maker on investment priorities.	Regional transportation committees will be established to provide input on priority investments.
Taxpayers fund highway expansion and improvements.	Private sector investment will help fund highway expansion and improvements.
Plans for different modes of transportation are developed separately.	A provincial transportation plan will be developed which integrates all modes of transportation.
The ministry manages and delivers the transportation system.	The ministry will act as a knowledgeable owner who involves the private sector, local governments and other stakeholders in the management and delivery of the transportation system.
The provincial government approves rural subdivisions.	A streamlined rural subdivision approvals process, with full cost recovery, will be available for transfer to regional governments on a voluntary basis.

Factors Affecting Business

- The demand for transportation infrastructure continues to increase. More vehicles are using the highways and are travelling more kilometres overall. Trucks have increased in weight and size.
- To compete for business internationally, British Columbia must reduce transportation costs and improve access to international gateways. Security issues related to recent acts of terrorism have made crossing the border more difficult.
- Flooding and slides in the Peace River required many temporary detours and bridge replacements last year.

Core Businesses, Key Programs and Services

In 2001/02, the ministry's work was reorganized into four business areas:

- Highway Operations
- Transportation Improvements (Public-Private Partnerships)
- Motor Vehicle Regulation
- Corporate Services

Highway Operations

The Highway Operations business area encompasses these program areas: Maintenance, Traffic Operations, Asset Preservation, Inland Ferries, and the Coquihalla Toll Administration.
The Maintenance and Traffic Operations program areas are responsible for a variety of activities, such as: regional and district operations; pavement marking; avalanche control; rock slope stabilization; and contracts for the maintenance of highways, roads, bridge structures and tunnels. Asset Preservation involves, among other activities, road and bridge surfacing, bridge rehabilitation and replacement, safety improvements and minor betterments.

Transportation Improvements

The Transportation Improvements business area encompasses these three program areas: Transportation Policy and Legislation; Partnerships; and Planning, Engineering and Construction. Transportation Policy and Legislation provides guidance on the development of transportation, highway and corporate policy and legislation. Partnerships focuses on the development of partnerships with the private sector and other levels of government, and on making efficient use of property under the ministry's jurisdiction to defray or reduce the cost of new highway facilities. The Planning, Engineering and Construction program area is responsible for highway planning, capital program development and monitoring, investment strategies, quality management, access management, direction and management of projects, engineering, and survey and design.

Motor Vehicle Regulation

The Motor Vehicle Regulation business area encompasses the Office of the Superintendent of Motor Vehicles (OSMV) and the Motor Carrier Commission (MCC). The OSMV administers sections of the Motor Vehicle Act relating to dangerous drivers and the fitness of drivers. It conducts appeals of administrative driving prohibitions and vehicle impoundment. It also conducts hearings and reviews of the Insurance Corporation of British Columbia's (ICBC) decisions regarding driver licence sanctions, driver training and driver licences. The OSMV also administers vehicle inspection facilities and inspector licences. It manages licensing sanctions that affect motor carriers regulated under the National Safety Code. The MCC is an independent body which regulates the province's commercial passenger industry (buses and taxis) pursuant to the Motor Carrier Act. The Commission, by delegation pursuant to the Motor Vehicle Transport Act (Canada), issues licences for the interprovincial and international road transport of passengers.

Corporate Services

The Corporate Services business area encompasses the following activities: the minister's and deputy minister's offices; finance; administration; asset management; capital project audits; human resources; facilities management; information systems; performance measurement; and information and protection of privacy.

Update on *New Era* Commitments

Regional Transportation Authorities

The ministry is charged with establishing regional transportation authorities that are accountable to local taxpayers and will give local communities more control over their transportation needs and planning. The initial step will be to establish regional transportation committees to provide input to the ministry on priority investments for their regions. These committees will be in place by December 2002.

Northern and Rural Transportation

The ministry is focusing resources on improving northern and rural transportation. An additional $10 million in funding per year, beginning in 2002/03, has been allocated to this initiative. A system for measuring the condition of northern and rural roads, and for prioritizing associated rehabilitation projects, will be implemented in 2002/03.

Provincial Transportation Strategic Plan

The ministry is examining the status of the transportation and infrastructure system and is considering various regional transportation models. The ministry will develop a high level strategic plan for provincial transportation, beginning in summer 2002.

TransLink Financing

The ministry worked with TransLink to address its financing structure. A two cents per litre increase to gasoline taxes in the Greater Vancouver Regional District was implemented on April 1, 2002. This additional revenue is dedicated to TransLink. Discussions are continuing with TransLink on governance issues.

Rapid Transit Project 2000 Ltd.

Construction of the SkyTrain Millennium Line by the Rapid Transit Project 2000 Ltd. (RTP) is nearing completion. The ministry and RTP are working with TransLink to ensure a smooth transition to revenue service. The Braid to Columbia section was opened in January 2002 and the remaining portions will be opened in September 2002.

Elimination of HCL Hiring Requirements

Highway Constructors Ltd. (HCL) union-only "hiring hall" requirements on highway construction projects were eliminated in July 2001, thereby satisfying one of the government's commitments for its first 90 days in office. HCL will be wound up in 2003 once its outstanding contractual commitments are fulfilled.

Waste Buster Successes

The provincial waste buster web site was created in August of 2002, providing British Columbians the opportunity to help reduce government spending. The program allows citizens to identify excess spending on activities or products, money wasted on inefficient or overlapping processes, and activities or processes that are unnecessary or outdated and should be eliminated.

The Ministry of Transportation has been the lead ministry in implementing waste buster suggestions, with cost savings to date approaching $1.7 million. Implemented suggestions have included discontinuation of the ministry's WESTAC and TAC memberships ($265,000 annual savings) and a reduction in the frequency of roadside and median mowing ($1 million annual savings).

Performance Reporting

As a result of the core services review and the consequent strategic shifts in ministry direction, the ministry's objectives and some of its performance measures have been revised, deleted or replaced. This section describes the performance measures that were in place at the end of fiscal 2001/02.

Objective: To streamline operations.

Provincial Inland Ferries

The cost per vehicle carried is calculated using direct operating costs, excluding amortization.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of vehicles carried	1,744,000	1,715,000	-1.6%
Cost per vehicle carried	$6.58	$7.23	+ $0.65

The cost per vehicle carried increased due to fuel and labour cost increases, as well as a decrease in the number of vehicles carried. Although fuel prices fluctuated through the year, there was an overall price increase and this increased ferry operating costs.

Objective: To improve the highway infrastructure and network, increasingly through public-private partnerships.

Mobility

The level of traffic congestion for urban highways is calculated as a percentage of vehicle kilometres travelled where the volume to capacity ratio exceeds 0.9. The ratio of 0.9 is used by transportation planners as the accepted threshold for calculating traffic congestion in urban areas.

Performance Measure	2001/02 Target (Updated)	2001/02 Actual	Variance
Level of traffic congestion on urban provincial highways (% of urban vehicle kilometres travelled in congested conditions).	13.3%	13.4%	+ 0.1%

The original 2001/02 mobility target of 4.6 per cent was calculated as an average of both urban and rural traffic congestion. This combined target understated the overall congestion problem, as rural congestion generally is very low. The adjusted target for urban highways only is a better reflection of the congestion problem.

The ministry aims to enhance capacity and reduce congestion through partnership opportunities, by providing high occupancy vehicle lanes, by operational improvements aimed at maximizing the efficiency of existing infrastructure, and by pursuing access management plans which seek an appropriate balance between highway mobility and access to lands.

Objective: To maintain and preserve provincial highways.

Highway Safety

Two elements are used to measure highway safety: the number of fatalities per 100 million vehicle kilometres travelled and the number of serious injuries per 100 million vehicle kilometres travelled. Crash data is gathered by the RCMP as part of its on-site accident investigation.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of fatalities (per 100 million vehicle kilometres travelled)	1.05	See below	
Number of serious injuries (per 100 million vehicle kilometres travelled)	27.70	See below	

The measurement of actual highway safety requires the RCMP's accident investigation data. This data is not available from the RCMP until the autumn following the end of a fiscal year. The 2002/03 annual report will include safety performance measures for 2001/02, and subsequent annual reports will report on this performance measure one year in arrears, so that the ministry can obtain the relevant accident investigation data.

Pavement Condition

Pavement condition is determined by calculating the percentage of kilometres of road where the condition is rated as good or excellent.

Pavement condition data is collected by using a multi-function pavement evaluation vehicle that employs automated and semi-automated equipment to take very detailed measurements of surface distress. Network pavement surface condition surveys are currently completed on the main numbered highways and selected major side roads (approximately 12,000 km out of 23,000 km total paved highway). Primary highways are surveyed biannually and secondary highways/major side roads are surveyed every three years.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Primary highways pavement condition	75%	80%	+5.0%
Secondary highways/major side roads pavement condition	65%	65%	0

The condition data that was used for the 2001/02 targets was from 1999 surveys. The 2001/02 actuals were based mainly on more recent 2001 survey data. Increased funding on the primary highway system has resulted in an improvement in performance.

Highway Rehabilitation

"Highway rehabilitation" refers to resurfacing of roadways, including asphalt overlays, hot-in-place recycling, milling, reclamation, micro-surfacing, sealcoat applications, and first time hard surfacing of gravel roads.

- **Number of Lane Kilometres Resurfaced**

Lane kilometres are calculated by summing the total lengths of individual travel lanes that are resurfaced. Lane kilometres of resurfacing are measured during resurfacing.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of lane kilometres resurfaced	2000	2180	+ 9%

A three per cent variance is considered to be within practical limits for this measure. Targets can be missed as a result of unforeseen circumstances such as harsh winter conditions, spring freeze-thaw, slides, flooding, budget allocations and prioritization. The 2001/02 target was exceeded due to an increase in first time hard surfacing in the north, accomplished through funding reallocations within the rehabilitation program. Competitive bids resulted in lower than expected bid prices for resurfacing, which allowed a greater amount of work to be completed.

- **Bridge Condition**

The Bridge Condition Index (BCI) is a numerical indicator of the condition of a bridge and its components. Bridge condition is measured as the percentage of bridges where condition is good or excellent, as indicated by the BCI. Bridge condition ratings are conducted on an annual basis.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Bridge condition	78%	81%	+ 3%

The positive variance is primarily the result of building new facilities.

Highway Maintenance

The number of lane kilometres is calculated from an inventory list provided by each highway district. The cost of maintenance per kilometre of road includes the actual cost of road and bridge maintenance contracts, as well as estimates of the costs of administering contracts, performing electrical maintenance, pavement marking and avalanche control. The total cost is divided by the total number of lane kilometres. The quality assurance rating is a measure of the road and bridge maintenance contractor's performance based on random inspections of activities such as surface maintenance, drainage, and roadside and winter maintenance. The ratings for each contract area are averaged to provide a province-wide rating.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of lane kilometres maintained	84,600	84,412	-188 km
Maintenance cost per lane kilometre	$4,090	$4,124	+ $34
Quality assurance rating for maintenance contracts	0.91	0.92	+ 0.01

The cost per lane kilometre was $4,012 for 1999/2000, $3,977 for 2000/01 and $4,124 for 2001/02. The reduction in 2000/01 reflects the savings obtained through amendments to road and bridge maintenance contracts, while the increase in 2001/02 is due mostly to inflation and especially the increase in the cost of fuel.

- **Pavement Marking**

The performance measure for pavement marking is the number of line kilometres painted and the cost per line kilometre for painting highway centrelines and edgelines. Cost per line kilometre is calculated by dividing the total costs by the number of line kilometres painted. Weather is a key variable affecting the amount of pavement marking required, and the amount of marking that is completed.

Performance Measure	2001/02 Target	2001/02 Actual	Variance
Number of line kilometres painted	27,500 km	27,362 km	-138 km
Cost per line kilometre	$255	$270	+ $15

The variance of 138 km painted is considered within acceptable limits. The cost per line kilometre increases when productivity is less than anticipated due to weather. The cost per line kilometre increase is due to poor weather and the resulting inability to reschedule completion of planned line painting.

Report on Resources

As a result of the core services review and the strategic shifts in ministry direction, the ministry's vote structure was reorganized during 2001/02. The table below reflects the original vote structure (with some sub-votes combined), which corresponds with the 2001/02 Estimates and Public Accounts.

2001/02 Resource Summary

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Corporate Services[1]	24,192	0	24,192	23,145	1,047
Planning & Major Projects	4,520	0	4,520	4,026	494
Highway Operations & Maintenance	418,548	0	418,548	415,314	3,234
Highway Capital Construction[2]	34,002	0	34,002	34,000	2
Inland Ferries[3]	13,186	0	13,186	17,199	(4,013)
Motor Vehicle Regulation[4]	4,958	0	4,958	5,405	(447)
Public Transit[5]	172,850	0	172,850	167,497	5,353
Total Voted	672,256	0	672,256	666,586	5,670
Contingencies[6]		39,621	39,621	39,621	0
Statutory Expenditures[7]		997	997	997	0
Total Ministry Expenditures	**672,256**	**40,618**	**712,874**	**707,204**	**5,670**
Full-time Equivalents (FTEs)					
Total	**2,303**	**0**	**2,303**	**2,241**	**62**
Ministry Capital (Expenditures) ($000)[8]					
Total	**13,623**	**1,893**	**15,516**	**15,516**	**0**
Consolidated Capital Plan Expenditures ($000)[9]					
Total	**331,000**	**0**	**331,000**	**324,442**	**6,558**
Other Financing Transactions (Net Disbursements) ($000)					
Prepaid Capital Advances (Public Transit)[10]	316,000	0	316,000	207,145	108,855
Revenue ($000)					
Revenue[11]	44,580	0	44,580	45,240	660

The ministry's 2001/02 expenditures, while profiled above using the previous vote structure, contributed to achievement of the goals and objectives that were established as a result of core services review and that are profiled elsewhere in this report.

- Corporate Services includes the Minister's Office
- Highway Capital Construction includes a $34 million operating grant to the BCTFA. Capital project expenditures are recovered from external sources, primarily the BCTFA. See Consolidated Capital Plan expenditures.
- Inland Ferries expenditures were over budget due to increased fuel costs and an accounting adjustment for the revaluation of assets.
- Motor Vehicle Regulation includes the Office of the Superintendent of Motor Vehicles and the Motor Carrier Commission.
- Public Transit includes British Columbia Transit and Rapid Transit Project (RTP) 2000.
- Contingencies include a Canadian Auto Workers signing bonus, RTP 2000 amortization of deferred charges, start-up/mobilization costs for SkyTrain and a Rapid Transit Study.
- Statutory expenditures include a Motor Vehicles/ICBC account correction.
- Ministry Capital Expenditures include specialized equipment, information systems, vehicle leases, buildings, ferries, office furniture and equipment, and tenant improvements. The other authorization is for vehicle leases, which are now capitalized under government accounting policy.
- All 2001/02 Consolidated Capital Plan expenditures were funded by BCTFA, supplemented by external recoveries. BCTFA expenditures are reported here.
- Prepaid Capital Advances are for capital expenditures and borrowing costs for selected public transit projects. Surplus is due primarily to a GST refund to RTP 2000.
- The majority of the ministry's reported revenue comes from Coquihalla Tolls ($42,853,896 in 2001/02).

Major Capital Projects

Vancouver Island Highway Project (VIHP)

The main north-south corridor serving Vancouver Island is comprised of the Trans-Canada Highway south of Nanaimo and Highway 19 from Nanaimo to Campbell River. Maintaining the performance of the corridor was a problem due to rapid population and economic growth as well as development along the corridor. The VIHP was initiated to construct new sections of highway and upgrade others in order to meet current and future traffic demands and support long-term economic development for the Vancouver Island region.

Objectives:

- Provide a transportation corridor that addresses the needs of Vancouver Island and improves safety.

Costs:

- Project budget and forecast is $1.3 billion.

Benefits:

- Time savings for road users.
- A 60 per cent reduction in traffic accidents in some areas.
- Reduced vehicle-operating costs for all users.

Achievements this year:

- The Inland Island Highway from Courtenay to Campbell River was completed and opened.
- Improvements to Highway 1 between Mill Bay and Duncan (Kilmalu to Cobble Hill) were completed and opened.
- Construction commenced on the remainder of the Millstream Road Connector and on the Millstream Road Extension.

Risks:

- Risks are low, as the project is substantially complete. The two remaining sections, the Millstream Connector and Mill Bay to Duncan (Wilmot to Allenby), are scheduled for completion in 2002/03.

Lions Gate Bridge

The ministry's main goal with the Lions Gate Bridge was to ensure its safe operation. The 64-year-old bridge carries more than 40 per cent of the daily traffic crossing Burrard Inlet. While the cables and towers remained in good condition, the steel and concrete bridge roadway was rusty and worn. The Lions Gate Bridge rehabilitation project was initiated to ensure that the bridge remains structurally sound and operationally efficient. This was accomplished through replacement of the entire bridge deck, widening of traffic lanes and sidewalks, seismic upgrading of the bridge and North Viaduct, and rehabilitation of the Stanley Park Causeway.

Objectives:

- Rehabilitation, widening and seismic upgrading of the Lions Gate Bridge to ensure continued reliable service.

Costs:

- Project budget and forecast is $125 million.

Benefits:

- Safer and more reliable traffic flow through wider lanes and sidewalks. New traffic control and monitoring equipment.
- A seismically sound structure upgraded to meet the latest earthquake standards from experience in Kobe, Japan, and Oakland, California.

Achievements this year:

- Replacement of remaining bridge deck segments was completed.
- Widening of Stanley Park Causeway and construction of Prospect Point Underpass were completed.
- North approach viaduct widening and seismic upgrading were completed.
- Seismic upgrading of the North Tower continued.

Risks:

- Risks are low, as the project is substantially complete. Paving of the causeway between the bridge and the Prospect Point off-ramp and the final paving of the bridge surface remain.

Port Mann Bridge Five-laning/Cape Horn Interchange

Highway 1 in the vicinity of the Port Mann Bridge is the Lower Mainland's most severely congested area. The Port Mann Improvement Project was undertaken to improve traffic flow by adding a fifth lane across the bridge to the 152nd Street Interchange. This lane is dedicated to high occupancy vehicle (HOV) traffic travelling eastbound. Traffic merging patterns on the Lougheed Highway (Highway 7) between United Boulevard and the Cape Horn Interchange were also revised. A new westbound on-ramp from Lougheed Highway to Highway 1 was constructed in the vicinity of Coleman Avenue to replace the existing ramp at Cape Horn. A new on-ramp from Mary Hill Bypass to Highway 1 westbound was also constructed. Seismic improvements to the Port Mann Bridge were made.

Objectives:

- Ease congestion on the Lower Mainland's worst traffic bottleneck.

Costs:

- Original project budget was $74 million. Current forecast is $60 million. An additional $5.8 million was spent on resurfacing the bridge deck.

Benefits:

- Extends the benefits of the Highway 1 HOV lanes into Surrey.
- Improves traffic flow and safety for traffic moving onto Highway 1 from the connecting highway network.

Achievements this year:

- Extension of the eastbound Highway 1 HOV lane across the bridge to the 152nd Street exit in Surrey was completed and opened.
- Lougheed Highway/Cape Horn Interchange improvements were completed and opened.
- Mary Hill Bypass ramp improvements were completed and opened.

Risks:

- Risks are low, as the project is substantially complete.

Nisga'a Highway Upgrade

The conclusion of the Nisga'a Treaty process in the Nass Valley will lead to economic growth and development which will require safe and reliable highway access. The region's main road access, the Nisga'a Highway, experiences flooding and has poor surface conditions and a deficient alignment. To facilitate economic growth and development, the provincial government is continuing a seven-year investment program to upgrade the Nisga'a Highway to an all weather two-lane highway (general 70 km/h standard) to better serve Nass Valley residents and resource industries in the area.

Objectives:

- Upgrade the Nisga'a Highway to an all weather two-lane highway.

Costs:

- Project budget is $52 million.

Benefits:

- Increased economic development, in areas such as tourism.
- Safety, access and mobility improvements.

Achievements this year:

- Paving commenced on some sections.
- Design commenced or was completed on other sections.

Risks:

- Nisga'a upgrade budget was increased from original estimate of $41 million.

Report Appendices

Appendix A: Crown Corporations and Commissions

The Minister of Transportation is responsible for the following Crown corporations and commissions:

BC Transportation Financing Authority

The BC Transportation Financing Authority (BCTFA) is a provincial Crown corporation. Under the Build BC Act, the BCTFA makes capital investments in transportation infrastructure and finances these investments through borrowing and dedicated fuel taxes. Management of the BCTFA was merged with the Ministry of Transportation in 2001/02.

BC Ferries

The British Columbia Ferry Corporation (BC Ferries) is a Crown corporation. BC Ferries is an integral part of British Columbia's coastal transportation system, linking Vancouver Island, the mainland and many isolated coastal communities.

BC Ferries web site: http://www.bcferries.com

BC Transit

BC Transit is a Crown corporation charged with providing public transportation throughout the province, outside of Greater Vancouver. The British Columbia Transit Act mandates the corporation to "plan, acquire, construct or cause to be constructed public passenger transportation systems and rail systems that support regional growth strategies, official community plans, and the economic development of transit service areas".

BC Transit web site: http://www.bctransit.com

Rapid Transit Project 2000

Rapid Transit Project (RTP) 2000 Ltd. is a provincially held limited company incorporated under the Company Act. RTP 2000's primary mandate is to design and construct the Millennium Line, which will link Vancouver and New Westminster via the Broadway-Lougheed corridor. RTP 2000 is also responsible for implementing the terms of the memorandum of understanding between Bombardier and the Province; participating in cost sharing negotiations between the Province and TransLink; and undertaking studies to determine the feasibility, acceptability, cost, implementation options, and financing strategies for lines to Vancouver West and Port Moody-Coquitlam.

RTP 2000 web site: http://www.rapidtransit.bc.ca

BC Rail

The BC Rail line consists of 2,315 kilometres of mainline and 740 kilometres of industrial, yard and track sidings throughout the province. About 80 per cent of BC Rail's total revenue arises from the transport of goods like forest, energy and agricultural products. The remaining revenues are made from car hire, barging, passenger services and intermodal operations.

BC Rail web site: http://www.bcrail.com

Motor Carrier Commission

The Motor Carrier Commission is responsible for regulating commercial passenger carriers, such as taxis and buses. Every commercial passenger carrier that operates in British Columbia must hold a motor carrier licence, along with a motor carrier certificate and plate for each vehicle in the carrier's fleet. Commissioners examine applications for new and altered motor carrier licenses. When considering a licence application, Commissioners may consider objections to the application; the general effect on public interests and other transportation services; the quality and permanence of the service; the fitness, willingness and ability of the applicant to provide proper service; and any other matters that the Commission finds relevant.

Motor Carrier Commission web site: http://www.th.gov.bc.ca/mcc/mcc.htm

Appendix B: Ministry Legislative Mandate

Ministry of Transportation and Highways Act (excluding section 34), which creates the ministry and sets out its mandate. The act also authorizes the collection of tolls for the Coquihalla Highway.

Highway Act, which deals with the establishment, maintenance, alteration and regulation of public highways in the province, including bridges and tunnels.

British Columbia Railway Act, which establishes the British Columbia Railway Company, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

British Columbia Transit Act, which establishes the British Columbia Transit Authority, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Ferry Corporation Act, which establishes the British Columbia Ferry Corporation, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Greater Vancouver Transportation Authority Act, which establishes the Greater Vancouver Transportation Authority (TransLink), establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Motor Vehicle Act. Responsibility for the Motor Vehicle Act is shared between the Minister of Transportation and the Minister Responsible for ICBC. The Minister Responsible for ICBC is responsible for those sections with respect to vehicle and driver licensing, driver training, vehicle standards and inspections. The Minister of Transportation is responsible for those sections that set out the rules of the road, traffic control device standards, and authorities for the Office of the Superintendent of Motor Vehicles.

Commercial Transport Act, which establishes legislation and licensing provisions for commercial vehicles, as well as commercial vehicle configuration and safety standards. Section 3 (road building machines) is administered solely by the Minister of Transportation. Sections 1, 4, 5, 8, and 11 are jointly administered by the Minister of Transportation and the Minister Responsible for ICBC.

Ferry Act, which permits the ministry to provide for an inland ferry service either directly or through contractors.

Highway (Industrial) Act, which, in combination with other acts, governs the operation of vehicles on private resource roads.

Highway Scenic Improvement Act, which allows the ministry to impose regulations requiring the removal of unsightly accumulations on property adjacent to highways or sections of highways designated as scenic routes.

Motor Carrier Act (except section 54), which establishes the Motor Carrier Commission and Reconsideration Panel, setting out licensing provisions and tariff requirements for passenger motor carriers.

Railway Act. The Ministry of Community, Aboriginal and Women's Services is responsible for the safety and inspection provisions. The Ministry of Transportation is responsible for the remaining provisions regarding corporate matters.

Riverbank Protection Act, which enables the Lieutenant Governor in Council to take appropriate measures to prevent the encroachment of a river on its banks.

Transportation of Dangerous Goods Act, (section 23 only) which sets out regulations and standards for the movement by trucks of dangerous goods within the province.

Build BC Act (Part 4 only), which establishes the BC Transportation Financing Authority, establishes a board of directors and sets out the reporting and institutional relationships with the provincial government.

Appendix C: Regional and District Boundary Map